

Work Plan
DAI Policy and Institutional Development Component (PIDC)
USAID Contract No. GS-10F-0359M,
MOBIS Task Order No. 527-M-00-05-00080-00
October 27, 2005

Background

This Work Plan is based on the following information:

- July 12, 2005 Indicative Initial Work Plan (Peter Orr)
- Scenarios document (Peter Orr)
- DAI Policy and Institutional Development Component Task Order with USAID
- September 23-October 1, 2005 review of planned project activities with Manuel Estela (local technical lead for PIDP) in consultation with 6 PIDC consultants – Francisco Durand, Nilo Espinoza, Jaime Antesana, Juan Zarate, Yalile Martinez, and Luis Cruz.

1. DEVIDA Strengthening

The following positions were included in DAI's PIDC proposal, based on the experience with DEVIDA and the institutional assessment.

- An Advisor-TBD- to strengthen DEVIDA's capability to work in counter narcotics areas and to build cooperative relations with counter narcotics institutions, particularly the Ministry of Interior. Developing DEVIDA's ability to play its designated role re. precursor chemicals control falls under this general assistance area.
- Jaime Antesana - social conflicts advisor, to improve DEVIDA's capability to understand potential and actual conflict situations in the coca valleys and prevent or manage conflict.
- A legislative advisor – to advise DEVIDA on how to better manage relations with congress.
- An inter-institutional coordination advisor - to improve DEVIDA's ability to work with other government institutions responsible for aspects of counter-narcotics and alternative development programs.

Current Status: To date, it has not been feasible to provide advisory assistance to DEVIDA.

Result: DEVIDA will be strengthened and its ability to work with local, regional and national government institutions improved.

Activity 1.1. Work with USAID and DEVIDA to determine their institutional strengthening and technical assistance needs.

2. Precursor Chemical Control

Current Status: The project is waiting for the GOP to make the necessary political decision regarding the information system – deciding to go with SUNAT as the implementer, at which time DAI will move forward on three basic lines of action.

Result: Support software/database capability strengthened

Activity 2.1. Support SUNAT to develop necessary software in coordination with other partner institutions; train key personnel as necessary

- This is a tentatively planned activity, contingent on the necessary political decisions occurring.
- PIDC Consultant Amador Meza, ex-Chief of Informatica at SUNAT, will work with SUNAT and the other institutions to develop the software necessary for the info system work, under Manuel Estela, working with Armando Arteaga, SUNAT.
- Meza was one of the experts who designed SUNAT system. Amador worked with Armando Arteaga (Aduana), and current Jefe of Informatica of SUNAT to evaluate the capacity of the SUNAT to implement the PC control system. The working relationships are already established – they are waiting on the political decision.
- Partners: SUNAT, Ministry of Production, DEVIDA, MinInter
- We estimate that this is about a 5 month job.

Result: Efficient and effective implementation of the new PCC law resulting from improved inter-institutional coordination to take advantage of SUNAT participation in information system

Activity 2.2. Facilitate the design of the precursor chemical information system among the GOP institutions responsible for the PCC system

- This activity is also contingent on the appropriate political decision.
- At the invitation of the precursor chemical control technical coordination committee, a PIDC advisor (TBD) will provide technical assistance to the committee as the responsible institutions design the PCC system as well as facilitate their taking the necessary measures to be able to process and use the information it will provide.
- Priorities would be set per committee needs
- USAID facilitation is requested to ensure the committee's request for assistance
- Define needs for additional external (NAS) assistance
- Partners: USAID, DEVIDA, Ministry of Production, MinInter, SUNAT, ConsultAndes
- This also would be about a 5 month effort

Result: Diffusion of mechanisms and processes established in new PCC regulations; training for public sector, information for the private sector

Activity 2.3. ConsultAndes subcontract - ongoing

- This activity supports the implementation of the new PCC law, according to the timeline set by the regulations.

- Goal: to educate the business community, public officials and others affected by the implementation of the precursor chemicals regulation.
- 8 seminars are planned – 1 in Lima, 7 throughout Peru (2 to be financed by the GOP)
- Beneficiaries: Public and Private sectors, those affected by precursor chemicals law
- PIDC Subcontract: ConsultAndes Activity

In the meantime, the project will monitor PCM handling of regulation approval to try and expedite.

3. Licit Coca Control Policy

This objective area includes a) advocacy, media and analysis to promote a policy decision for a practical solution to controlling the licit coca market based on the current legal framework, ENACO and SUNAT; b) providing support and analysis to partners and the client, with the objective of achieving an optimal outcome in the post Tribunal Constitucional ruling coca policy environment; and c) in the event that new legislation become inevitable, supporting partners to achieve a minimum damage legislative solution in congress that will still allow a practical control reform.

Current Status:

Advocacy, media and analysis activities are ongoing. The recent ruling of the Tribunal Constitucional has declared the unconstitutionality of the regional ordenanzas. While it does not recommend new legislation, the strong reaction by congress and increasing cocalero pressure for a new law keeps the issue on the table. Activities 3.1-3.4 are all directly related to disseminating the empirical basis for coca regulation that has been established through previous USAID/DAI studies, as well as communications efforts promoting better control and discouraging bad coca legislation. These activities all target key audiences using effective methods, including the targeting of the scientific/academic community that over the medium and long- term serves as a resource on these issues to policy makers, the press, and the public – effectively limiting the creation of anti-control “cocologos”

Result: Advocacy, media and analysis promote a policy decision for a practical solution to controlling the licit coca market based on the current legal framework, ENACO and SUNAT.

Activity 3.1. Media Activities - ongoing

- Articles – facilitate the publication of articles advocating for good coca policy; provide information data to reporters writing the articles. Ex. Recent articles in the Comercio.
- Production of reports – An article written by Francisco Durand will appear in the journal, *Debate Agrario*¹ next month.

¹ Abstract: El trabajo estudia como funciona hoy el comercio informal de hoja de coca para uso tradicional. La informalidad le esta ganando el mercado a ENACO debido sobretodo a la fragilidad institucional del Estado. Esta situacion hace mas borrosa la linea entre lo legal y lo ilegal, lo que dificulta el combate al narcotrafico. La solucion al problema reside en dejar que las fuerzas del mercado operen en el mercado de uso tradicional però desarrollando un efectivo sistema de control del Estado.

- Continue media activities emphasizing increasing citizen rejection of cocalero tactics and objectives.
- These activities will be coordinated with USAID and the Embassy.
- Planned, ongoing and completed activities will be reported to the CTO in a weekly brief, transmitted via email.
- Audience: general public, academic, international community, decision-makers
- PIDC Consultants: Nilo Espinoza, Francisco Durand, Jaime Antezana, Manuel Estela

Activity 3.2. Direct communication with the press - ongoing

- Jaime Antesana will provide an interview commenting on the Tribunal ruling for the Comercio
- JA will provide a television news interview on Hilda Sandoval's upcoming presentation to Congress
- Other articles and interviews as needed, in coordination with USAID and the Embassy
- Planned, ongoing and completed activities will be reported to the CTO in a weekly brief, transmitted via email.
- Audience: general public, decision-makers
- PIDC Consultant: Jaime Antesana

Activity 3.3. Provide Technical Assistance to the Executive Director of FONAFE

- Prepare Hilda Sandoval for her presentation of the Control System and Updating of ENACO's database, before the Congressional Committee for Defense/Security/Narco-trafficking, planned for October 19, 2005
- Work with Hector Buzaglo (FONAFE) to prepare presentation materials (ppt) for the presentation
- Provide editorial support to ensure that the messages in the presentation are clear, and understandable (Nilo Espinosa)
- Provide Hilda with a list of questions that the PIDC congressional advisors anticipate
- rehearse the presentation and Q&A, per Hilda's request
- Beneficiary: FONAFE
- PIDC Consultants: Francisco Durand, Nilo Espinosa, Martin Medina, Lucho Cruz, Yalile Martinez

Activity 3.4. Disseminate findings from DESCO Informal Market Study, GRADE Formal Market Study, the FONAFE Green Book, and the FONAFE Statistical Study

- This will be the first formal presentation of the 4 studies, together
- Four Desayunos de Trabajo are planned to disseminate findings with the goal of influencing public opinion
- To be held at a hotel in Lima, November, 2005
- Beneficiaries: 4 groups of opinion leaders
 1. foreign press
 2. national press – tv, radio, print
 3. experts from the Peruvian state – DeVida, FONAFE, ENACO
 4. International Technical Cooperation – EU, WB, IDB, USAID, Pacto Andino, CAN (community of Andean Nations)

- PIDC Consultants: Francisco Durand, Nilo Espinosa, Jaime Antesana

Steps

1. Prepare handouts and materials – this is in progress now
2. Make an invitation list – vet with USAID
3. send invitations

Activity 3.5. Disseminate findings of DESCO/GRADE studies, in co-published book

- Formal book launch of integrated text
- DESCO and GRADE will cover all the costs of publication
- The DAI team – Paco, Nilo, Manuel will read it once and present comments - about 5 hours of work for each of them.
- The issue of branding will need to be addressed by USAID and DAI.

The value added by this activity is that it provides another round of dissemination of findings to the wider academic and the NGO community, policy experts and researchers from NGOs similar to DESCO and GRADE, and Peru's universities.

While the 2 studies have been released they are separate documents. In addition, both use a "research report" format that is not very attractive for readers and is quite long. It also needs to be downloaded from the web pages and printed, something few people do. The book integrates the 2 studies, presents both an introduction and a conclusion that are based on DAI's early research for USAID.

In terms of research, the book stands out because:

- a) it looks at the coca market as a whole, analyzing within that framework at both the formal and the informal markets.
- b) it analyzes the coca problem from an economic perspective (Commodity chains), not a social or political one that today prevails.
- c) the book will offer an alternative, more technical and policy oriented, and less political, analysis. This is different than the perspective proposed by the "Cocologos", Hugo Cabieses and others, who have recently published a book entitled Hablan Los Diablos. The GRADE/DESCO publication will present an alternative for those who are not familiar with this issue and are seeking a more technical perspective based on recent research.

Steps

- finish integrated draft – late oct
- review draft – DAI and USAID - Nov
- consult USAID regarding branding
- make changes/edit – Dec
- Publish in January
- Launch in February

Result: Congress members' awareness and knowledge of coca related issues is increased; Congress does not force new coca legislation.

Activity 3.6. Provide informational briefings to targeted congress members – Ongoing.

- Work through CEDRO congressional advisors and CEDRO to provide information to the Comision de Defensa/Seguridad/Narcotrafico in Congress
- Identify and cultivate additional spokespersons for improved coca control among members of congress,
- Beneficiaries: Congress members
- PIDC Subcontract: CEDRO congressional advisors, Yalile Martinez and Lucho Cruz

Result: If new legislation becomes inevitable, a minimum damage legislative solution is proposed that will still allow a practical control reform.

Activity 3.7. Support the development of a Ley Concordada

- This eventual implementation of this activity depends on the explicit authorization by USAID in the event that the passage of a coca law is deemed inevitable and an appropriate GOP agent requests the assistance.
- Such a law would address the perceived contradictions or gaps in the present legislation without introducing politically controversial provisions and protecting the current GOP prospects for implementing a control strategy through a reformed ENACO.
- A ley concordada would be especially attractive to congress and has a good chance of success in the pre-election period.
- PIDC consultants would provide support to congressional members and/or GOP institutions interested in developing and introducing a ley concordada.
- Beneficiaries: Congress
- PIDC Consultants: Luis Ubillas, Betsy Recavarren, Yalile Martinez and Lucho Cruz

Result: Presidential and Congressional candidates/political parties receive the information they need to make informed decisions to reject illegal coca and to support strong counter-drug policies and programs.

Activity 3.8. Hoja de Coca – Narco-trafico – Programas Electorales Seminar

- This seminar would inform and encourage candidate positions on coca/narcotrafico early in the election process.
- This will be a follow-on activity from the CADE panel on narco-trafficking, which Manuel Estela will organize.
- This seminar would help to cultivate additional spokespersons for improved coca control among candidates campaigning for the presidency and congress
- This activity should be coordinated (and maybe co-implemented) with USAID's DEM election activity.
- DAI will vet with USAID legal for compliance with existing laws and regulations on election-related activities.
- Invite the most important candidates, those who were invited to the CADE

- Request USAID, Embassy guidance on the format – open or closed sessions, themes for discussion, possibility of co-funding.
- Tentatively planned for February
- To be held in Lima in January/February 2006
- attendees: candidates, political parties
- PIDC Consultants: Francisco Durand, ConsultAndes (for planning and convocatoria), Manuel Estela, Yalile Martinez and Lucho Cruz

Activity 3.9. CADE 2005 pre-conference desayuno Panel on Narcotrafico y Actividad Empresarial

- Beneficiaries: Most active participants from the Private Sector, Public Sector, Political figures, this year the most important Electoral candidates are invited
- Manuel Estela has been asked to organize a panel for the 2005 CADE conference
- This activity is an opportunity for the cost-effective engagement of the private sector and presidential candidates.
- Preparation of handouts, presentation materials mid-October to mid-November
- PIDC Consultants: Manuel Estela, Francisco Durand, a panelist (TBD) to discuss the Colombian experience

Result: The most up-to-date information on the cocalero movement and public opinion provides the basis for media outreach activities and serves as a basis for up to date analysis for the client.

Activity 3.10. Monitor and follow the cocalero movement in all the major coca growing areas of Peru – Ayacucho, Cuzco, Huanuco, Junin, Pasco, San Martin, and Ucayali.

- Missions – to coca producing areas to monitor cocalero protest and advocacy activities, such as the upcoming international indigenous congress (planned to be held in Puno in Oct., 2005) particularly as they may impact on legislative debate or GOP political concessions.
- Continually analyze political forces operating openly and behind the scenes on coca policy to determine and revise appropriate tactics for project team.
- PIDC Consultants: Jaime Antesana

Activity 3.11. TIRONI subcontract. Measure the attitudes of distinct sectors of the public in Peru regarding counter narcotics policy, including alternative development.

- TIRONI will survey public opinion (an indicator of national communications success) in cities throughout Peru
- TIRONI will conduct a perception audit of opinion leaders in Congress and the Press – this activity is optional, per the needs of the client.
- The results of the surveys will be used to track the progress of the PIDC project
- The results will also be used as a feedback mechanism for project to make informed decisions about how to structure public opinion activities for the remainder of the contract, for maximum impact.
- PIDC Subcontract: TIRONI

Activity 3.12. TIRONI subcontract. Media Outreach on Alternative Development

- TIRONI will support USAID, DEVIDA and DAI communications objectives to educate the public about critical counter-narcotics policy issues, the importance of coca eradication efforts, the purpose and achievements of the alternative development program, and the need to regulate precursor chemicals.
- The primary agenda for outreach activities will be set by DEVIDA (Jorge Penny), USAID (Machi Cardenas), and TIRONI/DAI (Michael Patzl, Jaime Antezana, COP).
- Results will be reported weekly.
- Partners: USAID, DEVIDA, TIRONI/DAI

Activity 3.13. Provide administrative oversight and financing to DEVIDA for annual Impacto Survey.

- This activity will take place between September and December of each project year
- Support provided by DAI will include
- Expenses for training workshops for survey supervisors
- Printing and shipping of surveys
- Logistical expenses related to data collection
- Expenses related to reviewing, coding and data entry
- Expenses for data processing and análisis workshop.

4. Licit Coca Control Implementation

Current Status: The first condition for this was met in early August with the replacement of the old ENACO board. The new board now has to take effective control of ENACO, starting with the replacement of the general manager, which is in the works. A specific early policy objective is getting ENACO to formally endorse the purged padron of producers that DAI and FONAFE prepared, and which is based on the work presented in the FONAFE supply study and ENACO's own data base.

In addition to working toward bringing some order to who is considered a legal producer, priority early on needs to be given to bringing order to the commercialization side by expanding, cleaning and beginning to formalize the private commercial side of the operation so that it becomes clear that ENACO can establish the capacity the capacity to develop a commercial network capable of handling the 9000M|T of licit demand.

Work with the SUNAT side of the equation will depend on a political directive to SUNAT, which could occur independent of the policy scenarios mentioned above.

Activities on the policy front above can be expected to occur concurrently with the early steps of the implementation phase, and team members working on policy will also be assisting with implementation.

Result: Significant advances will be made in ENACO's updating of the coca producer registry and coca regulation; FONAFE/ENACO's institutional capacity will be strengthened

Activity 4.1. Assist ENACO to develop a 2006 Plan Corporativo

- DAI will engage FONAFE during the ENACO reform planning process in coordination and with participation of the CTO.
- PIDC consultants will work with Enaco's new board to ensure that the policies and procedures crucial to implementing the licit coca control program are developed.
- Beneficiaries: FONAFE/ENACO
- PIDC Consultants: Manuel Estela

Activity 4.2. Other FONAFE/ENACO capacity building

- TBD. All FONAFE/ENACO capacity building activities will be identified by FONAFE/ENACO/USAID.
- Hilda is focused on her upcoming presentation before Congress.
- After October 19, she will meet with USAID and DAI to discuss technical support needs to support the reform of ENAO.

5. Other Activities

Activity 5.1. Reporting (these may be in addition to reporting detailed in the MOBIS contract)

- Submission of consultant reports summarizing their activities and their observations on key recent events – monthly
- Submission of results/issues summaries – weekly and as needed
- Submission of all media outreach results – weekly
- The consultants will participate in situation analysis meetings to share information and coordinate activities as needed to advance activities or as requested by USAID.

Money Laundering Initiative

Current Status: On hold pending appropriate opportunity or mandate from the client.

- 1) Contract German Suarez to undertake assessment and preliminary recommendations for strengthening implementation of GOP capabilities to monitor, investigate and prosecute money laundering.
- 2) Follow-up activities to be determined based on above report and GOP receptivity on recommendations.